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In the

# SUPREME COURT OF THE UNITED STATES

October Term, 1941.

No. 321

STONITE PRODUCTS COMPANY,
Petitioner,

vs.

THE MELVIN LLOYD COMPANY,
J.A.Zurn Mfg.Co.
Respondent.

## PETITION FOR A WRIT OF CERTIORARI

To the United States Circuit Court of Appeals for the Third Circuit.

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## SUBJECT INDEX.

## CASES CITED.

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# PETITION FOR A WRIT OF CERTIORARI

## To the United States Circuit Court of Appeals for the Third Circuit.

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*To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:*

Your petitioner, Stonite Products Company, by Charles W. Rivise, Esq., respectfully prays that a writ of certiorari issue to review a decision of the Circuit Court of Appeals for the Third Circuit entered May 13, 1941.

A transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with Rule 38 of the Rules of this Court.

## OPINIONS BELOW.

The opinion of the District Court is reported at 36 Fed. Supp. 29; 47 U. S. Pat. Q. 339 (W. D. Pa. 1940).

The opinion of the Circuit Court of Appeals is reported at 119 Fed. Rep. (2nd) 883; 49 U. S. Pat. Q. 476 (C. C. A. 3, 1941).

## JURISDICTION.

1. The decision of the Circuit Court of Appeals was entered on May 13, 1941.

2. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U. S. C. 347), and Section 5 (b) of Rule 38 of this Court.

## QUESTION PRESENTED.

The only question involved is:

What is the proper venue for suing a defendant for patent infringement?

More particularly stated, the question is:

Is the Western District of Pennsylvania the proper venue for a suit for patent infringement against a resident of the Eastern District of Pennsylvania, who does not have a regular place of business in the Western District, but who has been made a co-defendant with a person who is a resident of said Western District.

## STATUTES INVOLVED.

The statutes involved will be found in the Appendix, *infra*. pp. 14-15.

## STATEMENT.

Your petitioner, Stonite Products Company, was sued jointly with Lowe Supply Company in the District Court for the Western District of Pennsylvania for the alleged infringement of a patent (Patent No. 1,777,759 for a boiler stand).

Lowe Supply Company is an inhabitant of the Western District, and was served in said district. Lowe Supply Company defaulted and the suit proceeded to judgment against it.

Your petitioner is an inhabitant of the Eastern District of Pennsylvania, and does not have a regular and established place of business in the Western District, where the suit was filed.

Your petitioner was served in the Eastern District of Pennsylvania, and entered a special appearance and moved to dismiss or quash the return of service on the ground that the venue as to your petitioner was laid in the wrong district. The District Court granted the motion and dismissed the cause of action as to your petitioner. The respondent appealed, and the Circuit Court of Appeals reversed the decision of the District Court and remanded the cause with directions to reinstate the complaint against your petitioner.

## REASONS FOR GRANTING THE WRIT.

Your petitioner respectfully prays that the writ be allowed for the following reasons:

1. The decision below is in direct conflict on an important point of Federal law (proper venue in patent cases) with the decision of the Circuit Court of Appeals for the Ninth Circuit in *Motoshaver, Inc. v. Schick Dry Shaver, Inc.*, 100 Fed. Rep. (2nd) 236 (C. C. A. 9, 1938).

2. The decision below is in conflict with the following applicable decisions of this Court:

*In re Hohorst*, 150 U. S. 633, 661;
*In re Keasbey & Mattison Co.*, 160 U. S. 221, 230.
*General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, 434, 435.

3. The decision below constitutes a radical departure from the law relating to venue in patent suits as it has been applied with substantial uniformity by the United States Courts for at least 45 years.

4. The question presented is of great importance in that it concerns the proper venue in suits for patent infringement.

5. The petition for a writ of certiorari is presented at this stage of the case—after a decision remanding the cause to the District Court for trial—rather than after a final decision on the question of validity and infringement, because:

(a) If this Court should grant the writ and reverse the decision of the Court below, prolonged and costly proceedings may be avoided not only in the case at bar but also in other cases.

(b) The decision of the Court below has unsettled the question of venue in patent cases, and the public interest requires that the question be settled as soon as possible.

Wherefore, it is respectfully submitted that this petition for a writ of certiorari should be granted.

STONITE PRODUCTS COMPANY,
*Petitioner.*

By CHARLES W. RIVISE,
*Counsel for Petitioner.*

A. D. CAESAR,
*Of Counsel.*

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## BRIEF IN SUPPORT OF PETITION.

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### JURISDICTION.

1. The decision of the Circuit Court of Appeals now sought to be reviewed was entered on May 13, 1941.

2. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925 (28 U. S. C. 347), and Section 5 (b) of Rule 38 of this Court.

3. The following cases are relied on as sustaining jurisdiction:

*Rice & Adams Corp. v. Lathrop,* 278 U. S. 509, 512.

*Minerals Separation North American Corp. v. Magma Copper Co.,* 280 U. S. 400, 401.

*Ensten et al. v. Simon, Ascher & Co.*, 282 U. S. 445, 449.

*Nash-Breyer Motor Co. v. Burnet, Commissioner of Internal Revenue*, 283 U. S. 483, 486.

*General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430.

*United States Trust Co. v. Commissioner of Internal Revenue*, 296 U. S. 481, 482.

*Mumm v. Jacob E. Decker*, 301 U. S. 168, 169.

*Neirbo v. Bethlehem Corp.*, 308 U. S. 165.

*Klaxon Company v. Stentor Electric Mfg. Co., Inc.*, (Decided June 2, 1941), 49 U. S. Pat. Q. 515.

## STATEMENT OF CASE.

To avoid repetition, reference is hereby made to the Statement on page 3, *supra*, of the Petition.

## SPECIFICATION OF ERRORS.

The following are the alleged errors of the Circuit Court of Appeals which will be urged before this Court:

1. That the Circuit Court of Appeals erred in holding that the provisions of Section 52 of the Judicial Code (28 U. S. C. 113), authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts, apply to patent suits to the same extent as to other non-local suits.

2. That the Court below erred in holding that an alleged infringer of a patent, despite the clear language of Section 48 of the Judicial Code (28 U. S. C. 109), may be sued in a district of which he is not an inhabitant and in which he does not have a regular and established place of business, merely by joining him with an alleged infringer who is an inhabitant of said district.

3. That the Court below erred in holding that the statement of this Court in *In re Hohorst*, 150 U. S. 653, as to the proper venue in patent cases was a mere dictum.

4. That the Circuit Court of Appeals erred in reversing the decision of the District Court and remanding the cause with directions to reinstate the complaint against your petitioner.

## REASONS FOR GRANTING THE WRIT.

### I.

**The decision below is in direct conflict on an important point of Federal law (proper venue in patent cases) with a decision of the Circuit Court of Appeals for the Ninth Circuit.**

On page 8 of its decision, the Court below states:

> "We conclude that the provisions of Section 52 authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts apply to patent suits to the same extent as to other non local suits and that the district court erred in holding otherwise. A different conclusion was reached by the Circuit Court of Appeals for the Ninth Circuit in *Motoshaver, Inc. v. Schick Dry Shaver, Inc.*, 100 F. 2d 236 (C. C. A. 9), but for the reasons already suggested we think that the court in that case in holding Section 52 inapplicable to patent cases failed to give that section its proper effect."

It therefore clearly appears that the decision below is in direct and irreconcilable conflict with the cited decision of the Circuit Court of Appeals for the Ninth District.

There is ample authority to the effect that this Court will grant certiorari as of course in cases where two Circuit Courts of Appeal disagree on the same question. Reference is hereby made to the citations under the heading of Jurisdiction, pages 3-4 *supra*.

Reference is also made to Section 5 (b) of Rule 38 of this Court, where it is indicated that a conflict in decisions between two circuits is a reason for granting certiorari.

## II.

**The decision below is in conflict with several applicable decisions of this Court.**

In each of the following cases, the Supreme Court clearly stated that the general statutes regarding venue do not apply to patent cases:

*In re Hoharst*, 150 U. S. 653, 661.

*In re Keasbey & Mattison Co.*, 160 U. S. 221, 230.

And in *General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, 434, 435, this Court clearly stated that Section 48 of the Judicial Code (28 U. S. C. 109) confers upon defendants in patent cases a privilege in respect of the places in which suits may be maintained against them, and that unless a defendant waives this privilege he cannot be sued in any other place.

In its decision, the Court below held that Section 52 of the Judicial Code (28 U. S. C. 113), which is a general statute regarding venue, applies to patent suits to the same extent as to other non-local suits, and that in accordance with said Section 52 a defendant in a patent suit may be sued over his protest in a place other than that specified in Section 48 of the Judicial Code (28 U. S. C. 109).

Hence, it is respectfully submitted that the decision below is in conflict with the cited decisions of this Court.

## III.

**The decision below constitutes a radical departure from the law relating to venue in patent suits as it has been applied with substantial uniformity by the United States Courts for at least 45 years.**

As stated on page 4 of the decision below, there was considerable disagreement in the lower Federal Courts as to the question of venue in patent cases until this Court's decision in *In re Keasbey & Mattison Co.*, 160 U. S. 221. As also stated by the Court below, the lower Federal Courts in reliance upon said decision thereafter uniformly held that the venue in patent cases is not governed by the general statutes regarding venue. *Westinghouse Air-Brake Co. v. Great Northern Ry. Co.*, 88 Fed. Rep. 258 (C. C. A. 2, 1898), is representative of cases to this effect arising before the enactment of Section 48 of the Judicial Code (28 U. S. C. 109), *i. e.* prior to March 3, 1897.

It is respectfully submitted that after the enactment of Section 48, the United States Courts continued to hold with substantial uniformity that the venue in patent suits is not governed by the general venue statutes. The following decisions are cited in support of this statement:

*Motoshaver, Inc. v. Schick Dry Shaver, Inc.*, 100 Fed. Rep. (2nd) 236 (C. C. A. 9, 1938).

*Gibbs v. Emerson Electric Mfg. Co.*, 31 Fed. Supp. 983 (W. D. Mo. 1940).

*Gibbs v. Emerson Electric Mfg. Co.*, 29 Fed. Supp. 810 (W. D. Mo. 1939).

*Cheatham Electric Switching Device Co. v. Transit Development Co.*, 191 Fed. Rep. 727 (E. D. N. Y. 1911).

The only case contra is that of *Zell v. Erie Bronz Co.*, 273 Fed. Rep. 833 (E. D. Pa. 1921). This case was very carefully considered but expressly not followed by the Circuit Court of Appeals for the Ninth Circuit in the *Motoshaver case, supra.*

Hence, it is thought to be clear that the decision sought to be reviewed represents a radical departure from the

law relating to venue in patent suits as it has been applied with substantial uniformity by the United States Courts for at least 45 years.

## IV.

**The question presented is of great importance in that it concerns the proper venue in suits for patent infringement.**

The proper venue in patent suits is of great importance, for the reason that a large proportion of the litigation in the Federal Courts involves patents. The question of venue arises in almost every suit, and because of the decision below it is likely to arise more and more frequently. This is especially so, since there are now two Circuit Courts of Appeals (the Third and the Ninth) which have reached exactly opposite conclusions.

There is ample authority for the granting of a writ of certiorari on the question of venue.

In *Nash-Breyer Motor Co. v. Burnett*, 283 U. S. 483, the Supreme Court granted certiorari to determine the proper venue for a review by the Circuit Court of Appeals of a decision of the Board of Tax Appeals. It is true that the respondent acquiesced in the grant of the writ, but it is not believed that acquiescence in a petition for certiorari can by itself give the Supreme Court jurisdiction.

In *General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, this Court granted certiorari to review a decision on the question as to whether Section 48 of the Judicial Code (28 U. S. C. 109) precludes a counterclaim for patent infringement against a plaintiff, who is not an inhabitant of the district, and who has no regular and established place of business within the district and has not committed an act of infringement within the district.

In *Neirbo v. Bethlehem Corp.*, 308 U. S. 165, certiorari was granted to determine whether a corporation by register-

ing to do business in a state in which it is not incorporated waives its right not to be sued in the Federal Court sitting in that state.

## V.

**The petition for certiorari is presented at this stage, because:**

**(a) If this Court should grant the writ and reverse the decision of the Court below, prolonged and costly proceedings may be avoided not only in the case at bar but also in other cases.**

**(b) The decision of the Court below has unsettled the question of venue in patent cases, and the public interest requires that the question be settled as soon as possible.**

The Circuit Court of Appeals has remanded the case to the District Court with directions to reinstate the complaint against your petitioner. It is within the discretionary power of this Court to grant certiorari at this stage rather than after a final decision on the question of validity and infringement.

In *American Construction Co. v. Jacksonville etc. Ry. Co.*, 148 U. S. 372, 385, this Court stated:

> "....The only restriction upon the exercise of the power of this court, independently of any action of the Circuit Court of Appeals, in this regard, is to cases 'made final in the Circuit Court of Appeals', that is to say, to cases in which the statute makes the judgment of that court final, not to cases in which that court has rendered a final judgment. Doubtless, this power would seldom be exercised before final judgment in the Circuit Court of Appeals, and very rarely indeed before the case was ready for decision upon the merits in that court. But the question at what stage of the proceedings, and under what circumstances, the case should be required, by *certiorari* or otherwise, to be sent up for review, is left for the discretion of this court, as the exigencies of each case may require."

In *Forsyth v. Hammond*, 166 U. S. 506, 514, this Court stated:

> "We reaffirm in this case the propositions heretofore announced, to wit, that the power of this court in certiorari extends to every case pending in the Circuit Court of Appeals, and may be exercised at any time during such pendency, provided that the case is one which but for this provision of the statute (Act of March 3, 1891, c. 517, 26 Stat. 826) would be finally determined in that court. And further, that while this power is coextensive with all possible necessities and sufficient to secure to this court a final control over the litigation in all the Courts of Appeal, it is a power which will be sparingly exercised, and only when the circumstances of the case satisfy us *that the importance of the question involved, the necessity of avoiding conflict between two or more Courts of Appeal* or between Courts of Appeal and the courts of a State, or some matter affecting the interests of this nation in its internal or external relations, demands such exercise." (Words in parenthesis and italics added.)

The following is a list of representative decisions in which this Court granted certiorari from a judgment of a Circuit Court of Appeals remanding the case to the District Court for trial without rendering final judgment:

*Forsyth v. Hammond, supra.*

*Spiller v. Atchison, T. & S. F. Ry. Co.*, 253 U. S. 117, 121.

*General Electric Co. v. Marvel Rare Metals Co.*, 287 U. S. 430, 431.

*Alexander v. Hillman*, 296 U. S. 222, 237.

*Triplett v. Lowell*, 297 U. S. 638, 640.

Suits for patent infringement are very expensive to the litigants, but what is more important they consume more than their proportionate share of the time at the disposal of the Federal Courts. Furthermore, the decision below has unsettled the question of venue in patent cases, and the

lower courts will in all likelihood be called upon with increasing frequency to pass upon the question.

We respectfully submit, therefore, that it is to the public interest that the question of venue in patent cases be reviewed by this Court at this stage of the proceeding. This is particularly so, since the question will eventually have to be settled by this Court.

## CONCLUSION.

Your petitioner respectfully submits that the writ of certiorari prayed for in the accompanying petition should be granted, and that this Court should review the decision of the Circuit Court of Appeals for the Third Circuit.

Respectfully submitted,

CHARLES W. RIVISE,
*Counsel for Petitioner.*

A. D. CAESAR,
*Of Counsel.*

## APPENDIX.

Section 48 of the Judicial Code (28 U. S. C. 109):

> In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpœna upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought.

Section 52 of the Judicial Code (28 U. S. C. 113):

> When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides. The clerk issuing the duplicate writ shall indorse thereon that it is a true copy of a writ sued out of the court of the proper district; and such original and duplicate writs, when executed

and returned into the office from which they issue, shall constitute and be proceeded on as one suit; and upon any judgment or decree rendered therein, execution may be issued, directed to the marshal of any district in the same State.